

Message Text

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TO SECSTATE WASHDC NIACT IMMEDIATE 7235
INFO USCINCSO QUARRY HTS CZ

S E C R E T SECTION 1 OF 2 TEGUCIGALPA 3297

FROM AMBASSADOR BECKER

E.O. 11652: GDS
TAGS: MASS, XX, HO
SUBJECT: ASSESSMENT OF U.S. SECURITY ASSISTANCE PROGRAMS FOR FY 1979

REF: STATE 133136

1. THIS MESSAGE TRANSMITS MY PERSONAL ASSESSMENT OF THE US SECURITY ASSISTANCE PROGRAM FOR HONDURAS FOR FY-1979. IN SUBMITTING THIS ASSESSMENT I HAVE KEPT IN MIND THE PRESIDENT'S POLICY OF RESTRAINT ON CONVENTIONAL ARMS TRANSFERS, THE INCREASED CONCERN OF BOTH THE PRESIDENT AND THE CONGRESS REGARDING HUMAN RIGHTS, AND THE CONTINUING EFFORTS TO ACHIEVE SOME MULTILATERAL AGREEMENTS ON CONVENTIONAL ARMS CONTROL. MY RESPONSES CORRESPOND IN CHRONOLOGICAL ORDER TO THE SEQUENCE OF QUESTIONS CONTAINED IN THE REFTEL.

2. U.S. INTERESTS AND OBJECTIVES SERVED BY MAINTAINING A SECURITY ASSISTANCE RELATIONSHIP:

A. A STABLE GOVERNMENT IN HONDURAS, FRIENDLY TO THE U.S. AND CAPABLE OF MAINTAINING ITS OWN INTERNAL SECURITY IS IN THE U.S.

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NATIONAL INTEREST. TO THIS END, THE U.S. SECURITY ASSISTANCE PROGRAM IS DEDICATED. WITH MORE THAN 400 MILES OF EXPOSED SEA COAST ALONG THE CARIBBEAN, HONDURAS HAS A STRONG PERCEPTION OF A THREAT FROM CUBA . THROUGH THE ADVICE, INFLUCENCE AND MONETARY ASSISTANCE MADE AVAILABLE THROUGH IMET AND FMS CREDITS, THE SMALL USMILGP IN

HONDURAS HAS MANAGED TO DIRECT ATTENTION, TRAINING, AND PROCUREMENT OF EQUIPMENT TOWARD STRENGTHENING HONDURAS COUNTER-INSURGENCY CAPABILITIES. SPECIFIC EXAMPLES OF THE SUCCESS OF THESE EFFORTS ARE THE RECENT RE-ESTABLISHMENT OF THE HONDURAN COAST GUARD; THE PURCHASE OF U.S. HELICOPTERS (SOLELY AS A RESULT OF MILGP URGING); THE PURCHASE OF A-37 COUNTER-INSURGENCY AIRCRAFT; THE ACQUISITION OF FIVE U.S. PATROL BOATS; AND THE RECENT ESTABLISHMENT OF A NATIONAL RANGER SCHOOL AS A PRELUDE TO THE CREATION OF AN EFFECTIVE NATIONAL COUNTER-INSURGENCY REACTION FORCE.

B. IN ADDITION TO THESE EFFORTS, THE MILGP HAS CONTRIBUTED TO THE NATION'S ECONOMIC DEVELOPMENT BY COORDINATING THE DEVELOPMENT OF A MASSIVE CHANNEL-CLEARING PROJECT AT PUERTO CORTEZ, THE NATION'S ONLY SIGNIFICANT SEAPORT AND THE GATEWAY TO CENTRAL AMERICA. THIS PROJECT WILL RESULT IN AN INCREASE IN THE TONNAGE HANDLED BY THE PORT AND PERMIT THE DOCKING OF THE WORLD'S LARGEST CONTAINERIZED VESSELS, THEREBY CONTRIBUTING SIGNIFICANTLY TO THE OVERALL NATIONAL ECONOMY.

C. IT IS ALSO IN THE U.S. NATIONAL INTEREST TO MAINTAIN A FAVORABLE U.S. INFLUENCE IN HONDURAS TO OBTAIN HONDURAN SUPPORT IN INTERNATIONAL FORUMS. THE MILGP HAS WORKED AS AN INTEGRAL PART OF THE US MISSION IN ITS OVERALL EFFORTS TO MAINTAIN FRIENDLY US-HONDURAN RELATIONS. THE MILGP DIRECTED U.S. MILITARY RELIEF EFFORTS FOLLOWING HURRICANE FIFI IN 1974. BASED IN THE COUNTRY, THE MILGP HAD THE ESTABLISHED CONTACTS, GOOD PERSONAL RELATIONS AND INSTITUTIONAL KNOWLEDGE TO WORK EFFECTIVELY WITH HONDURAN COUNTERPARTS. IN ADDITION, THE MILGP HAS PROVIDED
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AN ENTRADA TO HONDURAN MILITARY OFFICIALS FOR THE AMBASSADOR.
D. THE MILGP CONTRIBUTION TO THE US INTEREST IN PROMOTING TRADE WITH HONDURAS CAN BE MEASURED BY THE QUANTITIES OF US PRODUCTS RECENTLY PURCHASED BY THE HONDURAN MILITARY THROUGH FMS. THE MILGP HAS ALWAYS ENCOURAGED US PURCHASES, WHERE NECESSARY, WITH A HIGH DEGREE OF SUCCESS, ALTHOUGH THIS MIGHT NOT BE VIEWED FAVORABLY BY THE US CONGRESS. NEVERTHELESS IT REMAINS A STATED US INTEREST AND THE MILGP HAS BEEN SUCCESSFUL IN CONTRIBUTING TO IT.

E. I AM PERSONALLY CONVINCED THAT THE US MILITARY PRESENCE IS OF GREAT IMPORTANCE TO THE ATTAINMENT OF US OBJECTIVES IN HONDURAS. US RELATIONS WITH THE HONDURAN MILITARY ESTABLISHMENT WILL CONTINUE TO BE IMPORTANT BECAUSE OF THE CENTRAL ROLE THE MILITARY PLAYS IN DIRECTING THE GOVERNMENT AND ITS POLICIES. THIS WILL REMAIN TRUE EVEN IF THERE IS A RETURN TO CONSTITUTIONAL GOVERNMENT, BECAUSE OF THE DETERMINATION OF THE MILITARY LEADERSHIP TO CONTINUE TO PLAY A MAJOR ROLE IN DIRECTING THE FUTURE DEVELOPMENT OF HONDURAN SOCIETY. THEREFORE, A REASONABLE US MILITARY PRESENCE WILL PROVIDE CONTINUING ADDITIONAL LEVERAGE TO THE US MISSION.

3. THREATS PERCEIVED BY THE HONDURAN GOVERNMENT:

A. THE US MILITARY PRESENCE CONSTITUTES A "FOOT IN THE DOOR"
FOR ANY CONTINGENCY THAT MIGHT ARISE. TO ELIMINATE THIS
PRESENCE WOULD SERVE TO LESSEN OUR ABILITY TO REENTER THE HONDURAN
POLITICO-MILITARY SCENE AT SOME TIME IN THE FUTURE. WITH THE
LONG-STANDING BORDER DISPUTE STILL UNRESOLVED, EL SALVADOR IS
SEEN AS A REAL AND IMMEDIATE THREAT TO THE SECURITY OF HONDURAS.
ALONG WITH OTHER CENTRAL AMERICAN COUNTRIES, HONDURAS
PERCEIVES CUBA AS A POSSIBLE THREAT. HONDURAN LEADERS REGARD
THE US PRESENCE IN THE COUNTRY AS A N IMPORTANT ASSURANCE OF
US INTEREST AND CONCERN VIS-A-VIS THIS POTENTIAL THREAT. THE
ELIMINATION OF THE US MILITARY PRESENCE WOULD SIGNAL TO THE
GOH A REDUCED USG CONCERN FOR CENTRAL AMERICAN SECURITY.
I AM CONVINCED THAT THE ELIMINATION OF THE MILGP WOULD
LESSEN THE POSSIBILITY OF INFLUENCING THE HONDURAN MILITARY
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ESTABLISHMENT AND, BY EXTENSION, THE ENTIRE GOVERNMENT.
REDUCTION OF THE MILGP COULD ALSO BE EXPECTED TO LIMIT OUR
ABILITY TO PROMOTE US NATIONAL INTERESTS IN A COUNTRY RULED AT
PRESENT AND FOR THE FORESEEABLE FUTURE BY THE MILITARY. MY
ASSESSMENT OF THE THREAT COINCIDES WITH THAT OF THE HONDURAN
GOVERNMENT.

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S E C R E T SECTION 2 OF 2 TEGUCIGALPA 3297

FROM AMBASSDOR BECKER

4. TYPE OF MILITARY ESTABLISHMENT HOST GOVERNMENT BELIEVES IS BEST SUITED TO MEET ITS REQUIREMENTS:
HONDURAS BELIEVES THAT A "STRONG" MILITARY ESTABLISHMENT IS THE BEST DEFENSE AGAINST PERCEIVED THREATS. IT BELIEVES THAT IT MUST MODERNIZE AND PROFESSIONALIZE ITS ARMY AND AIR FORCE. IT IS ALSO REORGANIZING AND DEVELOPING A NAVY TO PATROL ALONG ITS COASTLINE TO DEVELOP AND STRENGTHEN INTERNAL SECURITY IN THIS VULNERABLE AREA. US INTERESTS WARRANT THE SUPPORT OF THIS TYPE OF MILITARY STRUCTURE, WHICH IS FOCUSED ON FURTHERING HONDURAS' INTERNAL DEVELOPMENT AND SECURITY. MILITARY ITEMS TO BE PURCHASED IN FY-79 ARE THE LEAST SOPHISTICATED AND LEAST COSTLY AVAILABLE. THERE ARE NO SUBSTITUTE ITEMS THAT WOULD BE ACCEPTABLE AT LESS COST.

5. DEFENSE ARTICLES AND SERVICES, IN PRIORITY ORDER, HONDURAS SEEKS TO ACQUIRE FROM THE U.S. IN FY-79:
A. TRAINING TO BE FUNDED BY IMET SUPPLEMENTED BY FUNDS FROM THE HONDURAS GOVERNMENT. U.S. INTERESTS WOULD BE SERVED BY MAINTAINING FAVORABLE INFLUENCE WITH HONDURAS. HONDURAS WILL USE THIS SERVICE TO DEVELOP ITS INTERNAL SECURITY.

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B. AIRCRAFT - ONE A-37B, TO BE FUNDED BY FMSCR. US INTERESTS WOULD BE SERVED BY MAINTAINING A STABLE GOVERNMENT FRIENDLY TO THE US AND CAPABLE OF SUPPORTING ITS OWN INTERNAL SECURITY; THE PROMOTION OF US TRADE; AND MAINTAINING A FAVORABLE US IMAGE IN HONDURAS. HONDURAS WILL USE THE AIRCRAFT TO REPLACE A SIMILAR AIRCRAFT DESTROYED IN A CRASH.

C. AIRCRAFT - TWO UH-1H'S, TO BE FUNDED BY FMSCR. US INTERESTS WOULD BE SERVED BY MAINTAINING A STABLE GOVERNMENT FRIENDLY TO THE US AND CAPABLE OF MAINTAINING ITS OWN INTERNAL SECURITY; THE PROMOTION OF US TRADE; AND MAINTAINING A FAVORABLE US IMAGE IN HONDURAS. HONDURAS WILL USE THE EQUIPMENT TO DEVELOP ITS INTERNAL SECURITY BY IMPROVING ITS CAPABILITY TO REACT EFFECTIVELY TO RESCUE AND DISASTER SITUATIONS IN THIS MOUNTAINOUS COUNTRY. HELICOPTERS ARE NEEDED TO REACH MANY REMOTE AREAS WHERE THERE IS NO ACCESS BY OTHER MEANS OF TRANSPORTATION. THERE ARE NO ALTERNATE OR SUBSTITUTE ITEMS OR SERVICES THAT ARE LESS COSTLY OR MORE ADVANCED THAT WOULD MEET US OBJECTIVES.

6. ASSESSMENT OF IMPACT ON HOST COUNTRY'S ECONOMY:
A. IN REFTEL B THE EMBASSY PROVIDED A DETAILED ANALYSIS AND ASSESSMENT OF THE IMPACT OF HONDURAS' DEFENSE EXPENDITURES ON THE COUNTRY'S ECONOMY, DEVELOPMENT PLANS AND DEBT SERVICE CAPABILITY. THE FINDINGS THEREIN WILL THEREFORE ONLY BE HIGHLIGHTED AS NECESSARY TO SHOW THE ABSENCE OF ANY SIGNIFICANT IMPACT OF THE PROJECTED U.S. SECURITY ASSISTANCE PROGRAM FOR FY 1979. GOH BUDGETED DEFENSE EXPENDITURES HAVE BETWEEN 1974 AND 1977 GROWN AT A RATE LOWER THAN THE GROWTH OF GOVERNMENT

EXPENDITURES, RESULTING IN A DECLINE IN THE PROPORTION OF EXPENDITURES DEVOTED TO DEFENSE FROM 8.4 TO 7.1 PERCENT. BARRING UNFORESEEN INCREASES IN MILITARY EXPENDITURES, THIS RELATIVE DECLINE IN DEFENSE SPENDING IS EXPECTED TO CONTINUE THROUGH FY 1979.

B. WHILE THE MAGNITUDE OF DEFENSE SPENDING HAS INCREASED FROM ABOUT \$14 MILLION TO \$23 MILLION IN THE PAST FEW YEARS,

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DEVELOPMENT EXPENDITURES FOR AGRICULTURE, EDUCATION AND HEALTH MORE THAN DOUBLED TO \$75 MILLION SINCE 1974. THUS, IT WOULD APPEAR THAT DEFENSE SPENDING HAS HAD LITTLE OR NO ADVERSE IMPACT ON SOCIAL AND ECONOMIC DEVELOPMENT. FURTHER, PROJECTED DEVELOPMENT SPENDING COMBINED

WITH MOMENTUM ACHIEVED RECENTLY IN THE GOH AMBITIOUS DEVELOPMENT PROGRAM STRONGLY INDICATE THE ABSENCE OF ADVERSE IMPACT THROUGH FY 1979.

C. NOR ARE GOH ANTICIPATED ARMS PURCHASES EXPECTED TO HAVE AN ADVERSE IMPACT ON FOREIGN EXCHANGE AVAILABILITY OR DEBT SERVICING CAPABILITY. THE CURRENT DEBT SERVICE RATIO OF 6 PERCENT IS RELATIVELY

LOW. WHILE GOVERNMENT EXTERNAL DEBT WILL RISE SUBSTANTIALLY OVER THE NEXT FEW YEARS, BOTH CURRENT AND PROJECTED LENDING IS LARGELY ON CONCESSIONAL TERMS (I.E., LOW INTEREST, LONG GRACE PERIODS AND EXTENDED AMORTIZATION). THUS, DEBT SERVICE IS NOT PROJECTED TO RISE SIGNIFICANTLY THROUGH FY 79.

FURTHER, NET FOREIGN EXCHANGE RESERVES ARE AMPLE (OVER \$140 MILLION IN MARCH 1977) AND BOTH GENERAL ECONOMIC ACTIVITY AND GOH REVENUES ARE CURRENTLY GROWING AT FAVORABLE RATES WHICH SHOULD ENABLE HONDURAS TO CONTINUE TO SERVICE A GRADUALLY INCREASING DEBT.

7. REQUIREMENT FOR IN-COUNTRY PERSONNEL:

THERE WILL BE NO REQUIREMENT FOR USG OR CIVILIAN CONTRACT PERSONNEL TO BE IN -COUNTRY TO IMPLEMENT EACH MAJOR SALE AND TRANSFER.

8. ARMS CONTROL IMPACT:

COMPARABLE KINDS OF DEFENSE ARTICLES AND SERVICES ARE READILY AVAILABLE FROM OTHER COUNTRIES. IF THE US DENIES A REQUEST FOR THESE ITEMS, HONDURAS IS CERTAIN TO ACQUIRE THEM FROM OTHER SOURCES. THERE IS NO ARMS CONTROL IMPACT OF ANY OF THESE ANTICIPATED SALES OR TRANSFERS. OTHER COUNTRIES IN THE REGION HAVE A-37 AIRCRAFT AND UH-1H HELICOPTERS, AND

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HONDURAS HAS ALREADY BEEN OPERATING THE SAME OR SIMILAR EQUIPMENT.

9. DEVELOPMENTS IN THE AREA OF HUMAN RIGHTS:

THERE ARE NO DEVELOPMENTS IN THE AREA OF HUMAN RIGHTS SINCE SUBMISSION OF THE REPORT IN THE FY-78 CPD WHICH ARE LIKELY TO HAVE A SIGNIFICANT INFLUENCE ON USG RELATIONS WITH HONDURAS AND ON THE ATTITUDES OF THE US CONGRESS AND THE AMERICAN PEOPLE TOWARD HONDURAS. APPROVAL OR DENIAL OF ASSISTANCE REQUESTS WILL HAVE NO AFFECT ON HUMAN RIGHTS PRACTICES OF THE HOST GOVERNMENT. WE HAVE NO HUMAN RIGHTS PROBLEMS WITH HONDURAS.

10. PROSPECTS FOR HONDURAN SUPPORT FOR ARMS CONTROL:

THE HONDURAN GOVERNMENT MAY BE EXPECTED TO COOPERATE TO A LIMITED DEGREE WITH THE US POLICY OF RESTRAINT IN THE TRANSFER OF CONVENTIONAL ARMS. NONETHELESS HONDURAS WILL SEEK TO PROCURE MILITARY ARTICLES AND SERVICES FROM AVAILABLE SOURCES TO MEET WHATEVER THREATS ARE PERCEIVED.

II. PAYMENT OF COSTS BY IMET RECIPIENTS:

A. HONDURAS IS AN IMET RECIPIENT. BOTH PROFESSIONAL AND TECHNICAL TRAINING SHOULD BE PROGRAMMED TO BEST SERVE US AND HONDURAN INTERESTS. AS THE POOREST COUNTRY IN CENTRAL AMERICA, HONDURAS NEEDS TO DEVELOP ITS ECONOMY AND TO MODERNIZE ITS ARMED FORCES. TECHNICAL TRAINING GIVEN TO HONDURAN MECHANICS, FOR EXAMPLE, IS NOT ALWAYS ON EQUIPMENT OWNED BY THE HONDURANS, BUT IS BASED MORE ON THEORY AND GENERAL PRINCIPLES. MANY TECHNICIANS RECEIVE VALUABLE TRAINING DURING A SINGLE TOUR WITH THE MILITARY, THEN APPLY THEIR KNOWLEDGE AND SKILL TO THE ECONOMIC DEVELOPMENT OF HONDURAS.

B. HONDURAS WOULD BE PREPARED TO PURCHASE A LIMITED AMOUNT ESSENTIAL EQUIPMENT-RELATED TRAINING UNDER FMS IF
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NOT AVAILABLE UNDER GRANT AID. HONDURAS WOULD PROBABLY LOOK TO OTHER COUNTRIES FOR PROFESSIONAL AND TECHNICAL TRAINING WHICH WOULD BE MORE ECONOMICAL THAN US TRAINING, WHICH IS BECOMING INCRASINGLY EXPENSIVE. HONDURAS IS ALREADY PAYING FOR MOST OF THE TRAVEL AND LIVING ALLOWANCES IN ORDER TO MAXIMIZE TRAINING AVAILABLE UNDER IMET.
BECKE

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